DOCUMENT RESUME

ED 341 471 PS 020 235

TITLE	Taking Care: State Developments in Child Care.
INSTITUTION	National Governors' Association, Washington, DC. Center for Policy Research and Analysis.
SPONS AGENCY	National Commission for Employment Policy (DOL), Washington, D.C.; Women's Bureau (DOL), Washington, D.C.
REPORT NO	ISBN-1-55877-105-0
PUB DATE	90
NOTE	69p.
AVAILABLE FROM	National Governor's Association, 444 North Capitol Street, Washington, DC 20001-1572.
PUB TYPE	Statistical Data (110) -- Reports - Research/Technical (143)
EDRS PRICE	MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS	Certification; *Child Advocacy; Child Care Occupations; *Day Care; Day Care Centers; *Early Childhood Education; Employer Supported Day Care; Federal Legislation; Federal Programs; Financial Support; National Surveys; *Public Policy; *State Action; State Aid; State Programs; State Standards; Tables (Data); Training
IDENTIFIERS	Family Support Act 1988

ABSTRACT

A survey of state policies and practices regarding child care that was conducted prior to most states' implementation of the Family Support Act is reported. The report summarizes the findings of that survey and provides information from other recent studies. State child care roles and responsibilities are assessed in four main areas: (1) states as regulators; (2) states as funders; (3) states as system builders; and (4) states as employers. Survey results indicate that a total of 30 states' baseline licensing standards for child/staff ratios in child care centers for children up to the age of one year already meet the high quality accreditation standards used by the National Association for the Education of Young Children. A total of 19 states require some type of training for family day care providers. States are shifting the methods by which they subsidize care, from purchase of service providers to provider agreements and vouchers. Half the states set a statewide rate to set the market price for subsidized care. Although 45 states use the Social Services Block Grant, a variety of other federal sources are also used. A total of 44 states spend more than $1 billion in state general revenues on child care per year. Outreach activities to the business community to promote employer-assisted child care are undertaken by 37 states. In general, evidence suggests that states are expanding and will continue to expand their role in child care. Ten tables provide statistical data. Contains 17 references. (LB)

Maine
Massachusetts
New Hampshire
Rhode Island
Vermont

Delaware
Maryland
New Jersey
New York
Pennsylvania

Illinois
Indiana
Michigan
Minnesota
Ohio
Wisconsin

Iowa
Kansas
Missouri
Nebraska
North Dakota
South Dakota

Alabama

Taking Care: State Developments in Child Care

Center for Policy Research
National Governors' Association

The National Governors' Association (NGA) wishes to thank the many individuals and organizations who contributed to the development of this report. First and foremost, sincere gratitude is extended to the Governors' aides and agency staff responding to the state child care survey.

Thanks also are due to the following individuals, who offered information and guidance in the design of the survey: Elizabeth Beh, Pennsylvania Governor's Office; Terry Castro, New Jersey Department of Human Services; G. Niobe Marshall, National Black Child Development Institute; Barbara Reisman, Child Care Action Campaign; and Barbara Willer, National Association for the Education of Young Children.

Special thanks go to those individuals who reviewed the manuscript and provided insightful advice on its final preparation: Annie Mitchell of the Bank Street College of Education; Gwen Morgan of Work/Family Directions, Inc.; Barry Van Lare, NGA deputy executive director; Alicia Pelrine, director of the NGA Committee on Human Resources; and Wendy Adler, senior policy analyst with the committee.

Finally, appreciation is extended to Linda Burnette for her skillful preparation of the manuscript and to Karen Glass for her expert editorial assistance.

Lynne Fender, director of the social services program, NGA Center for Policy Research, coauthored this report with David Shaw, a center policy analyst, who also served as primary researcher.

Generous support for this project was provided by the American Express Philanthropic Program, the David and Lucile Packard Foundation, and the U.S. Department of Labor's National Commission for Employment Policy and Women's Bureau. The views expressed herein are not necessarily those of the sponsors.

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ISBN 1-55877-105-0

444 North Capitol Street
Washington, D.C. 20001-1572

ADDENDUM

TAKING CARE: STATE DEVELOPMENTS IN CHILD CARE

Page 7, Table 3 - New York requires both preservice and ongoing training for center based care.

Page 10, map - Arizona and North Carolina use provider agreements.

Page 13, Table 5 - In New York, the Community Services Block Grant and the Child Development Associate Scholarship Fund are both used to fund child care related activities.

Page 13, Table 5 - North Carolina does not use title IV-B for child care, but does use AFDC for teenage parents.

Page 15, Table 6 - New York AFDC recipients are eligible for subsidized child care and transitional child care benefits are available for 9 months after eligibility ends. Children in need of protective services are also eligible for subsidized care. In the "Other" category, New York subsidizes child care as a preventive service and as a foster care service.

Page 16, Table 7 - The New York State Department of Social Services spent $124 million for subsidized child care in FY 1989.

Page 24, Table 9 - New York permits employees to use up to 15 days accrued sick leave to care for a child or member of the immediate family (in the care of the employee). Also, during the period of medical disability related to pregnancy (generally four weeks prior to delivery and six weeks following delivery) employees may use accrued sick leave to remain in paid status.

Page 24, Table 9 - North Carolina has a parental leave policy.

Page 25 - North Carolina and New York Vocational-Technical Schools/Community Colleges have on-site child care.

6/21/90

Taking Care: State Developments in Child Care

Center for Policy Research

National Governors' Association

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Executive Summary

Introduction

The nation has experienced a burgeoning demand for child care and early child development programs as increasing numbers of young single parents and two-parent families enter the labor force. And this demand is expected to multiply as states implement federally mandated welfare reform legislation — the Family Support Act (FSA). On behalf of states, the National Governors' Association Committee on Human Resources has sought to synthesize and disseminate as clear a picture as possible on the status of child care quality, access, and affordability in the states.

Between July and October 1989, prior to most states' implementation of FSA, the NGA Center for Policy Research conducted for the committee a survey of states' policies and practices in the child care arena. Fifty states and the District of Columbia responded to the survey. This publication thus reports on fifty-one jurisdictions.

This report documents the findings of that survey, supplemented with information from several other recent, important studies in the field. It assesses state child care roles and responsibilities in four main areas:

- *States as Regulators*, examining their role in regulating group size, child-staff ratios, and training requirements, promoting continuity of care, and enacting new legislation.
- *States as Funders*, focusing on their role in financing child care for low-income families (e.g., determining market rates of care, using federal funds for child care, and offering dependent care tax credits against the state income tax) as well as their responsibilities in responding to new demands generated by welfare reform legislation.
- *States as System Builders*, looking at their role in building resource and referral networks (including the stimulation of new supply), mitigating liability insurance barriers for child care providers, augmenting child care in rural areas, promoting employer-assisted child care, and estimating the total current supply of child care in the state.
- *States as Employers*, exploring the role states are playing in becoming model employers for their civil service employees by offering parental leave policies and on-site child care.

Key Findings

- Thirty states' baseline licensing standards for child-staff ratios in child care centers, for children up to age one, already meet the high quality accreditation standards used by the National Association for the Education of Young Children (NAEYC); twenty states meet the NAEYC standard for two-year-olds, and nineteen meet the standard for four-year-olds.
- Nineteen states reported that they require some type of training for family day care providers, and all but twelve states have training requirements for teachers working in centers.
- States are shifting the methods by which they subsidize care, from purchase of service contracts with providers (which limit parental choice) to provider agreements and vouchers (which greatly expand parental choice). Twenty-nine states plan to change their subsidized systems in the near future, with thirteen citing implementation of the Family Support Act and its need for flexibility as the major reason.
- While twenty-six states reported using a statewide rate to set the market price for subsidized care, some of those states allow for geographic variation under a statewide ceiling.
- Asked about the array of federal funding streams states use for child care assistance, forty-five states use the Social Services Block Grant; forty access the Dependent Care Planning and Development Grant; twenty-nine use funds under Titles IIA and B of the Job Training Partnership Act; twenty capitalize on the Education for the Handicapped Act, and thirty-four are taking advantage of the Child Development Associate scholarship fund to bring training to their child care providers.
- Forty-four states reported spending over $1 billion in state general revenues on child care, excluding the value of state dependent care tax credits. Twenty-two states offer dependent care tax credits. This counters the perception that all government funds for child care are federal, and that the state role is merely coordination.
- Twenty-eight states responded that they are funding resource and referral (R&R) agencies to assist parents in finding appropriate care; educate parents about factors to consider in choosing care, offer training to child care providers, collect data on supply and demand, conduct market rate surveys, and assist employers in locat

ing care for their employees. Twenty-one states indicated they will expand R&R activities in the coming year.

- Reports of liability insurance barriers to the expansion of child care supply were mixed. Thirty-one states cited high cost as a problem, while fifteen cited cost and sheer unavailability of coverage. Nineteen states pointed out that providers' inability to obtain liability insurance is most acute for family day care homes. Worse, ten states noted that some family day care operators have had their homeowner's insurance cancelled. States are responding to this problem in creative ways.

- Thirty-seven states reported having outreach activities to the business community to promote employer-assisted child care. These activities run the gamut from meeting with business executives to explain the need for employer-supported child care, to preparing and distributing guides to businesses considering employer assistance, to connecting employers to resource and referral services. Twenty-four states even assist employers in setting up on-site or near-site child care centers, and thirteen states operate hotlines to answer employer questions.

- Although the vast majority of states indicated that the supply of child care is insufficient to meet demand, only one state was able to report the total number of children by age group (infants, toddlers, preschool age, and school age) that each of five types of facilities is licensed or registered to serve.

- As employers themselves, states are stretching their civil service leave policies to accommodate the birth, adoption, or serious illness of a child. Twenty-one states responded that they offer "parental leave" to state employees for these events. On closer examination, most of these states permit only the maximum amount of accrued annual or sick leave to be taken.

- Forty-three states maintain on-site child care facilities for their state employees, particularly at state universities, hospitals, and state office buildings. Plans were noted to expand the number of sites offering child care to state employees.

Conclusion

States are moving aggressively to fill the voids in the nation's child care puzzle. Pressures to act in the 1970s and 1980s came from the rising workforce participation of women. Pressures to quicken the pace of action in the 1990s are felt from several quarters. An emerging consensus about the attributes of quality child care recognizes the importance of early childhood development components. Major welfare reform legislation must be implemented. The number of young workers in the labor force will shrink. Women, minorities, and immigrants will constitute an ever-larger share of that labor force. At the same time, the United States will endeavor to sharpen its competitive edge in a global economy. To that end, the nation's Governors and the President have adopted ambitious but critical national goals for education. The first of these goals calls for all children in America, by the year 2000, to start school ready to learn. Meanwhile, debate continues on Capitol Hill over the framing of federal child care legislation.

Whatever the outcome of that debate, and mindful of the foregoing social, economic, and demographic changes, evidence from this report suggests that states are expanding and will continue to expand their role as regulators, funders, system builders, and employers in support of child care assistance for families.

Taking Care: State Developments in Child Care

Introduction

Background

Participation of women in the labor force is the norm in the America of 1990. It has been so since the 1970s. A social movement may have initiated the trend but economics sustains it. Family income has dropped in real terms since 1978. In 1986 there were 9 million children under age six whose mothers worked part-time or full-time. Today more than half of all women with children age one or more are in the labor force. The Bush Center on Child Development and Social Policy at Yale University estimates that by the year 2000, 75 percent of all two-parent families will have both parents in the out-of-home labor market working alongside the ever-rising millions of single parents.

The clear implication of these trends is that the need for child care will grow. Millions of children are in some form of child care or early childhood education program, whether it is all day, part day, nights, or weekends; whether it occurs at a neighbor's house where she takes in other children; whether it is provided by a relative or nanny in a child's home; or whether it occurs in a licensed child care center, a regulated family day care home, a state or private preschool program, federally funded Head Start program, or public school. Millions of other children have no access to affordable child care. Most of these latchkey children "care" for themselves. Some take care of their siblings, while others are cared for by their siblings.

Notwithstanding the labor force trends and the increasing demand for child care and preschool programs, the United States is commonly characterized as having a jigsaw puzzle of child care and preschool education services. Moreover, that puzzle is perceived to be missing some important pieces such as:

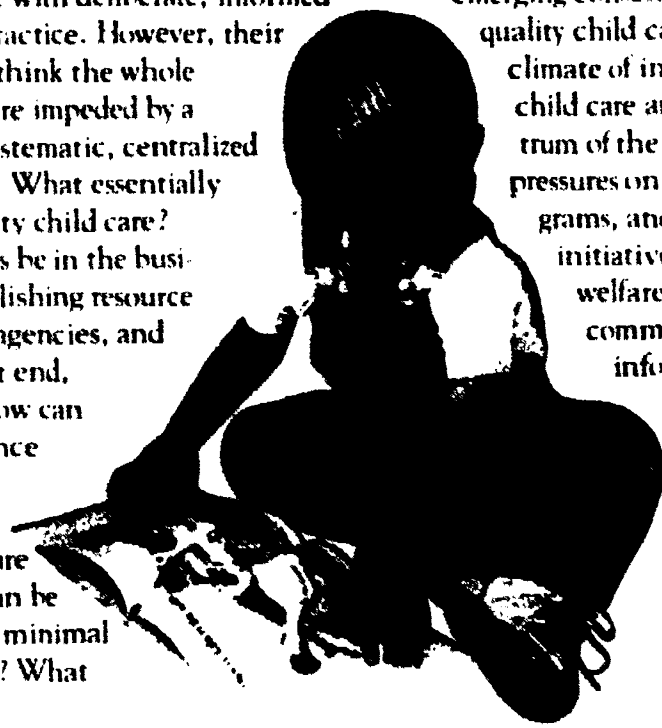
- a lack of clear consensus about quality;
- an incompatibility between quality and cost;
- inadequacies in some states' regulations;
- insufficient financial assistance to low-income families to permit access to child care;
- ineffective policies to increase supply; and
- a dearth of child care in rural areas.

To quote Dr. Bettye Caldwell, Donaghey Distinguished Professor of Education at the University of Arkansas at Little Rock:

> Someone once said that you can't just add the idea that the world is round to the idea that it's flat. You have to go back and rethink the whole enterprise. This is what this society has had to do with child care—rethink the whole enterprise and come up with a new understanding of it.

Over the past decade, the child care problem has appeared on state and local government agendas, with initiatives to put the puzzle together and supply the missing pieces. This past year, Congress has been pressured to have the federal government join the task, with substantial new direct resources and prescriptions for service delivery. Whether any of the several federal legislative proposals are enacted this year, state and local government will continue to be the focal point for "fitting" together the three key child care pieces: quality, access, and affordability.

Governors, human service administrators, welfare directors, directors of children and family services, and state legislators are trying to respond to the burgeoning demand for child care with deliberate, informed policy and practice. However, their efforts to "rethink the whole enterprise" are impeded by a scarcity of systematic, centralized information. What essentially defines quality child care? Should states be in the business of establishing resource and referral agencies, and if so, to what end, and how? How can states convince private employers that child care assistance can be offered with minimal liability risk? What standards have states adopted for famil day care homes and are such standards widely accepted? What kinds of financ assistance are states offering to low-incor families for child care, at what family income levels, and through what mech anisms? To what extent does supply fal short of demand in states, and for wha types of child care? These are some of questions states have been asking the National Governors' Association.



NGA Child Care Survey

In spring 1988, the NGA Committee o Human Resources specifically requeste the Center for Policy Research to solic funding to conduct a survey on the sta of child care in the states. In light of a emerging consensus on the attribute quality child care, and amidst a climate of increasing demand f child care among a broader spe trum of the population, renew pressures on state subsidy programs, and multiplying state initiatives to move clients o welfare and into jobs, the committee sought up-to- information on how st are responding these and othe forces.

Much has hap pened during t subsequent year a half that it took NGA to develop research proposal, obtain funding, design and field test the survey instrument, analyze the findings, and prepare a final report. Several other organizations have undertaken or completed their own studies of different aspects of the child care picture. Numerous advocacy groups collaborated to pressure Congress for new federal child care legislation, which may pass during the 101st Congress. And the Family Support Act — a major welfare-to-work reform initiative that guarantees child care to current and former welfare recipients — was signed into law in October 1988.

This report records and synthesizes the results of a child care survey of state officials. Conducted by NGA between June and October 1989, the survey sought answers to many of the questions posed by the committee, and more. The report also capitalizes on selected information gathered by other groups, information that helped keep the NGA survey more focused than it otherwise might have been. In particular, NGA is indebted to Gwen Morgan of Work/Family Directions, Inc., who shared selected data on state child care regulations that she collected in spring 1989 and will soon publish in *The National State of Child Care Regulations, 1989*. Also included is information from *The National Child Care Staffing Study*, conducted in Atlanta, Boston, Detroit, Phoenix, and Seattle during 1988 by staff of the Child Care Employee Project.

Survey Methodology

Five identical copies of the NGA survey were mailed to a single official in each Governor's office who oversees state child care policy. The official was asked to send copies of the survey (or portions thereof) to all state agencies with responsibility for any aspect of child care policy, program, or regulation to obtain accurate data. Agency officials were asked to return their completed survey (or portion) to the Governor's aide, who then combined and recorded all responses on a single survey instrument that was returned to NGA. Responses were received from fifty states and the District of Columbia. This publication thus reports on fifty-one jurisdictions.

Report Content

The report assesses state roles and responsibilities vis-à-vis the child care puzzle, and its missing pieces, in four main areas:

- *States as Regulators*, examining their role in regulating group size, child/staff ratios, and training requirements; promoting continuity of care; and enacting new legislation.

- *States as Funders*, focusing on their role in financing child care for low-income families (e.g., determining market rates of care, using federal funds for child care, and offering dependent care tax credits against the state income tax) as well as their responsibilities in responding to new demands generated by welfare reform legislation.

- *States as System Builders*, looking at their role in building resource and referral networks (including the stimulation of new supply), mitigating liability insurance barriers for child care providers, augmenting child care in rural areas, promoting employer-assisted child care, and estimating the total current supply of child care in the state.

- *States as Employers*, exploring the role states can play in becoming model employers for their civil service employees by offering parental leave policies and on-site child care.

States as Regulators

Changes in the composition of American families in the 1970s and 1980s have put new pressure on state programs that regulate and provide child care. Previously, full-day child care centers were used primarily by poor families who were making the transition from welfare to work, and by working class families who did not require substantial assistance from government to enable them to work. At the same time, part-day nursery school programs have been widely used by nonworking middle- and upper-income mothers for child development purposes. More recently, part-day child development programs have been made available to low-income children through Head Start, schools, and other sponsors. As regulators, states license these programs for rich and poor, regardless of whether the users are eligible for a subsidy. However, some states apply higher licensing standards when a program receives public dollars.

Changes in the way women participate in the workforce, the increase in single-parent homes, and the necessity for many families to have two wage earners to meet their economic responsibilities have moved child care from a program serving only a narrow segment of the population to one with broad-based support. The result of this shift is an increasing interest by the public in states' regulation of child care. For example, thirty of the fifty states now regulate part-day nursery schools, but regulation of child care quality in public schools continues to be rare.

No matter how stringent, regulations cannot guarantee high quality care. However, state regulations can create conditions conducive to quality care. They establish a basic floor of quality; the ceiling is established by the goals of the child care provider (Morgan).

While many factors combine to create a quality child care setting, research strongly suggests that four factors—child/staff ratio, group size, teacher training, and continuity of caregivers—play the largest role in promoting quality. States can best use their regulatory authority in these four areas to promote an environment where quality care is more likely to take place.

The following data are excerpted from a content analysis of 1989 state child care regulations that was conducted by Work/Family Directions, Inc. To put the data on child/staff ratios into context, the ratios are compared with accreditation standards developed by the National Association for the Education of Young Children (NAEYC). The association uses those standards to assess centers seeking accreditation as models of good quality. While there is no clear consensus on what child/staff ratios should be, NAEYC ratios provide professionally accepted guidelines against which states may examine their regulations in this area.

Group Size and Child/Staff Ratio Requirements in Centers

The maximum number of children per caregiver is called the child/staff ratio. The child/staff ratio appropriately varies with the age of the children, the type of activity in which they are engaged, and the special needs of the children. Group size is the maximum number of children in a specific age group allowed in a single class setting. Research demonstrates that smaller group sizes and larger numbers of staff to children are related to positive outcomes for children, such as increased interaction between adults and children, less aggression by children, and more cooperation among children (NAEYC). While child/staff ratios and group size constitute the greatest determinants of quality of care, they also are the greatest determinants of the cost of care. The lower the ratio and group size, the greater the staff costs of caring for a given number of children. Table 1 presents the licensing ratios and group size ceilings reported by each state for three selected age groups in center-based child care.

Table 2 displays the ratios in Table 1 against ratios recommended by the National Association for the Education of Young Children. Thirty states reported baseline licensing ratios meeting NAEYC's standard for children under age one, twenty for children age two, and nineteen for children age four. Thus, more than half the states' licensing standards already meet the recommended child/staff ratio for infants, while less than half reportedly meet it for either two-year-olds or four-year-olds.

As states compare their ratios against the high quality NAEYC guidelines, they should examine their baseline licensing regulations on ratios as well as their standards for subsidized care (so-called "fiscal requirements"). Data on fiscal requirements are not available for all states, but it is known that at least a few states impose ratios for subsidized children that are more stringent than the NAEYC accreditation standards.

While some argue that states ought to accelerate regulatory improvements in child/staff ratios, especially for four-year-olds, the pace of regulation has important implications for the cost of care. A significant rise in cost may force children out of the formal child care system and into either less regulated family day care homes, self-care (i.e., latchkey care), or care by older siblings. One alternative is for states to regulate the improvement in child/staff ratios, let the cost rise, and increase the amount of the subsidies they offer to low- and middle-income working

TABLE 1

Center Child/Staff Ratios and Group Sizes for Selected Age Groups by State

Legend: Child/Staff Ratio
Group Size

Notes: NR — not regulated
PRH — prohibited *Some states offer two sets of ratios or group size depending on staff size or mix of age groups

Source: Work/Family Directions, Inc., *The National State of Child Care Regulations 1989* (forthcoming)

State	Up to One Year	Two Years	Four Years
Connecticut	4:1	4:1	10:1
	8	8	20
Maine	4:1	5:1	10:1
	12	15	NR
Massachusetts*	3:1 or 7:2	4:1 or 9:2	10:1 or 15:2
	7	9	24
New Hampshire	4:1	6:1	12:1
	8	12	NR
Rhode Island	4:1	6:1	10:1
	4	6	20
Vermont	4:1	5:1	10:1
	8	10	20
Delaware	7:1	10:1	15:1
	NR	NR	NR
Maryland	3:1	6:1	10:1
	6	12	20
New Jersey	4:1	7:1	15:1
	NR	NR	NR
New York*	4:1	4:1 or 5:1	7:1 or 8:1
	8	12 or 10	21 or 16
Pennsylvania	4:1	5:1	10:1
	4	6	20
Illinois	4:1	8:1	10:1
	12	16	20
Indiana	4:1	5:1	12:1
	8	15	NR
Michigan	4:1	4:1	12:1
	NR	NR	NR
Minnesota	4:1	7:1	10:1
	8	14	20
Ohio	6:1	7:1	14:1
	12	14	28
Wisconsin	4:1	6:1	13:1
	8	12	24
Iowa	4:1	6:1	12:1
	NR	NR	NR
Kansas	3:1	7:1	12:1
	9	14	24
Missouri	4:1	8:1	10:1
	8	16	NR
Nebraska	4:1	6:1	12:1
	NR	NR	NR
North Dakota	4:1	5:1	10:1
	NR	NR	NR
South Dakota	5:1	5:1	10:1
	20	20	20
Alabama	6:1	8:1	10:1
	NR	NR	NR
Kentucky	6:1	10:1	14:1
	NR	NR	NR
Mississippi	5:1	12:1	16:1
	NR	NR	NR
Tennessee*	5:1 or 7:1	8:1	15:1
	10 or 14	16	20
District of Columbia	4:1	4:1	10:1
	8	8	20
Florida	6:1	12:1	20:1
	NR	NR	NR
Georgia	7:1	10:1	18:1
	NR	NR	NR
North Carolina	7:1	12:1	20:1
	14	24	25
South Carolina	8:1	12:1	20:1
	NR	NR	NR
Virginia	4:1	10:1	12:1
	NR	NR	NR
West Virginia	4:1	8:1	12:1
	NR	NR	NR
Arkansas	6:1	9:1	15:1
	NR	NR	NR
Louisiana	6:1	12:1	16:1
	NR	NR	NR
Oklahoma*	4:1	8:1	15:1
	8 or 12	16	30
Texas*	5:1 or 12:2	11:1 or 13:1	18:1 or 20:1
	5 or 12	35	35
Arizona*	5:1 or 11:2	8:1 or 17:2	13:1
	NR	NR	NR
Colorado	5:1	7:1	12:1
	10	14	NR
Idaho	12:1	12:1	12:1
	NR	NR	NR
Montana	4:1	8:1	10:1
	NR	NR	NR
Nevada*	4:1 or 6:1	8:1	13:1
	NR	NR	NR
New Mexico	6:1	10:1	12:1
	NR	NR	NR
Utah	4:1	7:1	15:1
	8	25	25
Wyoming	5:1	8:1	15:1
	NR	NR	NR
Alaska	5:1	6:1	10:1
	NR	NR	NR
California	4:1	4:1	12:1
	NR	NR	NR
Hawaii	PRH	8:1	16:1
	NR	NR	NR
Oregon	4:1	4:1	10:1
	8	8	20
Washington	4:1	7:1	10:1
	8	14	20

parents. In many states, fiscal conditions or other policy priorities (e.g., expanding Medicaid coverage for pregnant women and children) preclude this option. In other states, setting standards has been a difficult process. Some child care providers may be highly resistant to changing the standards because their pricing strategy depends entirely on unsubsidized parental fees.

Notwithstanding this caveat, survey data indicate that state officials would like to see some changes in their child care regulations. Thirty-four states agreed and sixteen disagreed with the statement that their regulations need updating. Some carefully paced improvement to state regulation of child care is likely over the next several years. Such regulatory action will need to strike a balance among the competing calls for quality enhancement, increased access, and manageable cost.

Training Requirements

Training requirements for caregivers have generated a great deal of debate. Many believe that caring for children does not require training and that experience as a mother prepares a person for the job. However, mothering and caring for the children of others require different skills (Katz). Mothers' interaction with their own children is different than the interaction between teachers and children. Trained caregivers are more likely to plan developmentally oriented activities and are better able to identify the developmentally appropriate needs of each child. Further, trained caregivers are more likely to be aware of the critical issues in fostering

TABLE 2

Number of States by Child/Staff Ratios for Selected Age Groups in Center-Based Care

Child/Staff Ratio	Up to One Year	Two Years	Four Years
3:1			
4:1			
5:1	8		
6:1	7		
7:1	3	7	
8:1	1	11	
9:1		1	
10:1		5	
11:1		1	
12:1	1	6	12
13:1			3
14:1			2
15:1			7
16:1			3
17:1			
18:1			2
19:1			
20:1			3
Total	50*	51	51

■ NAEYC accreditation standard.

Note *Hawaii does not permit center based infant care

Sources Work Family Directions, Inc., *The National State of Child Care Regulations, 1989* (forthcoming) and National Association for the Education of Young Children, *Accreditation Criteria and Procedures of the National Academy of Early Childhood Programs* 1987

secure relationships between the staff and children in care. Finally, the 1988 National Child Care Staffing Study identified first the amount of formal education, and second the amount of training as the strongest predictors of quality teacher behavior.

Among survey respondents there was near unanimous agreement about the need for increased training of child care workers. Fifty states responded that increased training of caregivers is needed in their states.

Table 3 indicates the training requirements for those operating family day care homes and those working in child care centers. Nineteen states reported that they require some type of training for family day care providers. Six states require providers to have some sort of initial training before they are allowed to begin operations. Seven states require no initial training but do require a specific amount of ongoing training annually. Four states require both initial and ongoing training.

All but twelve states noted that they have training requirements for child care teachers working in centers. Ten states require these caregivers to receive preservice training before working; seventeen states require preservice training and a specific amount of ongoing education each year; ten states require no preservice training but do require ongoing training; and two states — Montana and Oklahoma — require caregivers to receive an orientation before beginning work.

Continuity of Care

A child's sense of security depends on the continuity and stability of caregivers. When a child forms a relationship with a caregiver, he or she is better able to effect a smooth transition from home to child care. In part, this relationship is based on the availability and predictability of the caregiver. Predictability depends on a stable caregiver who sees the child on a daily basis over a long period (Howes).

A threat to continuity of care is the rapid turnover among caregivers, which is often caused by low salaries. Forty-nine states reported that providers in their states have high turnover. The National Child Care Staffing Study (NCCSS), conducted by Marcy Whitebook, Carollee Howes, and Deborah Phillips in 1988, confirms this observation. The study assessed 227 child care centers in five metropolitan areas, reflecting the diversity of center-based care nationwide. The average turnover rate in centers was 41 percent annually; the average rate for the first six months was an alarming 37 percent. Further, NCCSS data revealed that the average hourly wage for a child care worker in 1988 was $5.35 totaling $9,363 annually based on thirty five hours per week for fifty weeks. The resulting instability of the teaching staff is detrimental to children. NCCSS found that children in centers with high turnover rates spent less time engaged in social activities and more time wandering aimlessly. They also scored lower on two standardized tests of language and social development than children in centers with more stable teaching staff.

Massachusetts: Building Career Ladders

Using its regulatory authority, the Office for Children in Massachusetts established five positions (assistant teacher, teacher, head teacher, director I, and director II) to ensure qualified staff for child care facilities as well as to create a career ladder for these workers. To help caregivers qualify for and advance to these positions, the office operates a $570,000 state-funded program of education for child care workers.

Operated by the Office for Children since 1986, the program buys blocks of courses needed to meet the qualifications established by regulation and offers them to caregivers. Resource and referral agencies also are contracted to provide workshops and seminars focusing on the specific needs of family day care providers and those who serve school-age children.

In a survey conducted by the office, focusing on turnover among child care workers, salary and training were the greatest predictors of retention. By establishing career ladders and providing the training needed to meet those requirements, Massachusetts officials believe that this program, together with other efforts to raise salaries, plays a part in improving the quality of child care, ensuring a well-trained workforce, and reducing turnover.

For further information contact: Karen Sheaffer, Office for Children, 10 West Street, Boston, Massachusetts 02111, (616) 727 8900

TABLE 3

States with Training Requirements for Family Day Care Homes and Centers

Note: NA = not applicable.

Source: Work/Family Directions, Inc., *The National State of Child Care Regulations, 1989* (forthcoming)

State	Family Day Care Homes: Training	Initial	Ongoing	Both	Centers: Preservice	Preservice & Ongoing	Ongoing only	Orientation only
Connecticut							X	
Maine							X	
Massachusetts	X	X				X		
New Hampshire	X	X			X			
Rhode Island	X	X			X			
Vermont	X		X					
Delaware	X	X			X			
Maryland						X		
New Jersey	X			X		X		
New York								
Pennsylvania					X			
Illinois					X			
Indiana							X	
Michigan								
Minnesota	X			X			X	
Ohio	X	X						
Wisconsin	X			X		X		
Iowa							X	
Kansas						X		
Missouri								
Nebraska								
North Dakota	X		X			X		
South Dakota						X		
Alabama						X		
Kentucky	X			X			X	
Mississippi								
Tennessee	X		X			X		
District of Columbia					X			
Florida	X	NA	NA	NA		X		
Georgia					X			
North Carolina						X		
South Carolina								
Virginia						X		
West Virginia	NA					X		
Arkansas	X		X			X		
Louisiana	NA				X			
Oklahoma								X
Texas						X		
Arizona								
Colorado	X	NA	NA	NA				
Idaho								
Montana								X
Nevada	X		X			X		
New Mexico	X		X				X	
Utah	X	X					X	
Wyoming						X		
Alaska							X	
California					X			
Hawaii	X		X		X			
Oregon								
Washington							X	
Total	19	6	7	4	10	17	10	2

Note: Nineteen states have training requirements for family day care homes.
Thirty-nine states have training requirements for day care centers.
Forty-two states have training requirements for family day care homes and/or centers.

Except for establishing a statewide minimum wage, states do not regulate the wages paid to child care workers any more than they do those paid to workers in most other fields. However, local school districts set the wages paid to public school teachers. Frequently, child care workers with the proper credentials leave child care work to become teachers in public schools, where the pay is higher and the benefits are better. In the future, more states may wish to follow New York's example; the legislature earmarked new funds for grants to centers serving subsidized children to raise the salary scale of child care workers. States pursuing this path could better equate salaries paid to child care workers with those paid to local school teachers, and thus keep more caregivers employed in the child care field. Salary enhancement legislation also has been enacted in Alaska, Connecticut, Massachusetts, and Minnesota.

There is a second issue related to continuity of care that will gain urgency with implementation of the Family Support Act. Current state policies often terminate subsidies for child care at defined points of eligibility that are below parents' ability to continue paying for such care on their own. This can force parents to move their child to a less expensive provider. Under the Family Support Act, states are required to provide, on a sliding fee scale, twelve months of transitional child care to parents receiving Aid to Families with Dependent Children (AFDC) who are entering

New York: Salary Enhancement for Child Care Staff

In 1988 the New York legislature approved $12 million for increased salaries and benefits for caregivers working in child care centers (including Head Start) that are licensed, not-for-profit, and willing to serve subsidized families. It was hoped the funds would help the state recruit and retain qualified staff. The state's Department of Social Services distributes the money in a lump sum to counties, because in New York counties are responsible for delivering human services. The counties then distribute the funds to eligible providers.

Forty percent of a county's allocation is based on the number of children in a center from families with incomes at or below 200 percent of the federal poverty guideline. Since these families are unable to absorb fee increases to raise staff salaries, the centers are targeted for a portion of these funds to retain staff. Another 40 percent of a county's allocation is available for any not-for-profit center that is willing to serve subsidized families. A single center can apply for and receive funds from both allocations. The remaining 20 percent of funds can be used at the county's discretion for any salary or benefit enhancement activity. Training for caregivers also is an allowable use of these discretionary funds. Centers served under this program may include those operated by religious institutions, provided the program content is nonsectarian.

Preliminary results seem promising. In New York City, the first locality to implement the program, center staff turnover in fully subsidized centers has dropped from 42 percent to 27 percent, according to the New York State Child Care Coordinating Council. A further benefit of the program is the increased interest counties are taking in child care and the salaries of providers. To be eligible for program funds, counties must submit a plan for their day care activities and gather data on the salaries of those working in centers. The planning process alerted many county officials to the problem of staff turnover in child care centers. Two counties are supplementing the state grant with their own funds to help raise caregiver salaries.

For further information contact: Louise Stoney, New York State Child Care Coordinating Council, 237 Bradford Street, Albany, New York 12206, (518) 463-8663.

employment and leaving the welfare rolls. Although the federal regulations state that these parents must be required to pay something, states are free to determine what the fee scale will be for different income levels. States are urged to adopt copayment scales that begin low enough and that graduate moderately, so parents can maintain continuity of care for their children.

New Legislation

State legislatures have addressed a wide range of child care issues in the last year. The most common action, taken in thirty one states, was authorizing funds to expand existing programs and, in sixteen states, increasing the amount paid for subsidized child care. State lawmakers expressed the most interest in family day care homes, with twelve states passing legislation to regulate this form of child care. Eight state legislatures addressed center care and seven states focused on group day care homes. Other issues addressed by legislation were expanding child abuse reporting laws to include child care workers; increasing the income limits on subsidized care eligibility; requiring criminal record checks for child care workers; mandating penalties for those operating illegal child care facilities; and authorizing funds for on-site care for state employees.

Many states are addressing child care issues through their administrative rulemaking process. Thus, the foregoing synopsis of legislative activity does not reflect the full range of action being taken by states. Nevertheless, it seems clear that through both legislation and regulation states are taking the initiative to upgrade the standards by which child care facilities are judged. Of particular interest, sixteen states also took action to increase the price they pay for subsidized care.

Mississippi: First Steps

Upon taking office in 1988, the Governo[r] identified the improvement of the state's edu[-] cation and child care systems as prioritie[s] of his administration. The process unde[r-] taken is an example of the first step a stat[e] can take to better meet the needs of familie[s].

To assess the status of the state's chil[d] care system, the Governor appointed a tas[k] force composed of corporate leaders, chi[l-] dren's advocates, providers, agencies ove[r-] seeing child care programs, legislators, an[d] other interested parties. After eight mont[hs] of gathering information, the task forc[e] issued a report to the Governor that mad[e] recommendations for change and provide[d] an outline of the policy, program, and legi[s-] lative actions required for implementing the proposed changes.

This year, many of the task force's recom[-] mendations are before the state legislatur[e]. The proposals cover a host of areas, inclu[d-] ing strengthening the state's early childhoo[d] education program and improving child ca[re] licensing standards. The task force is no[w] active in supporting these bills and is playi[ng] a new role in promoting child care amo[ng] the state's business leaders.

For further information contact: Charlotte Christ, Office for Children and Youth, Depar[t-] ment of Human Services 421 West Pasc[a-] goula Street, Jackson, Mississippi 3920[?] (601) 949-2056.

States as Funders

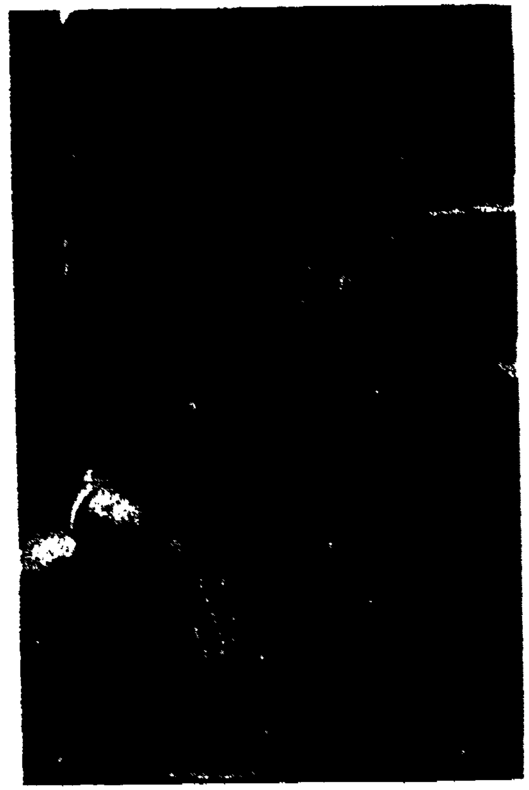
Historically, outright provision of child care has been acknowledged as a legitimate activity of government only under certain circumstances. The Mothers' Pension, an outcome of the 1909 White House Conference on the Care of Dependent and Neglected Children, provided federal grants to widows and wives of disabled husbands to enable them to stay at home to care for their children. During the Great Depression, the federal Works Progress Administration (WPA) established more than 1,700 child care centers, and the Lanham Act funded child care programs that served an estimated 500,000 children during World War II (Joffe).

The policies driving these programs reveal much about society's attitudes of government involvement in child care. In all of these programs, government's provision of child care was not an end in itself, but a tool for the achievement of other economic and social goals (Boles). The Mothers' Pension was based on the belief that the family is the cornerstone of society. And since a single mother cannot both raise her children and support the household, it was the duty of government to support female-headed families (Kerr). The WPA centers served primarily to provide jobs for the unemployed, while the main objective of the Lanham centers was to enable women to work in war-production industries.

In 1965, the federal government's role in child care changed. Part of the War on Poverty, the Head Start program sought through early intervention to overcome the deficiencies of "culturally deprived" children and prepare them for school. This was government's initial foray into child care programs of a developmental nature. While the WPA and Lanham centers revolved around the parents' needs, Head Start was the first government program to join the tradition of the nursery school movement, which stressed developmental programming to address children's needs (Joffe).

By the 1970s, states began recognizing that many welfare-to-work programs were failing because families could not afford child care. Typically using funds from Title XX of the Social Security Act, they responded by establishing subsidized child care programs for working poor families and families making the transition from reliance on public assistance to participation in the workforce. The overriding goal of these programs was to facilitate AFDC recipients' efforts to leave welfare and move into the labor market.

To address the transitional child care needs of former recipients, states typically selected providers believed to be delivering high quality care. Providers were selected through the state's procurement process, and a contract specified a number of "slots" for a set fee. If a parent met the state's income eligibility requirements, he or she could obtain care from a contracted provider. However, one drawback to this approach is that it limits the family's choice of providers. Although a provider may be available next door, an eligible family may have to travel across town to a provider with a state contract



By the 1980s, states began to acknowledge that the contracted care system, though simple to administer, has undesirable limitations. Directing subsidized families to certain contracted providers often leads to economic segregation of facilities. Further, contracting does not offer families the flexibility they need to participate in the workforce. Finally, as state-initiated welfare-to-work programs were enriched with a broad range of educational and training opportunities, it became evident that flexibility in parental choice of child care would be needed to match the flexibility built into those educational and training options. In the 1990s, implementation of the Family Support Act and its federally mandated welfare-to-work program (JOBS) will continue to require matching flexible education, training, and job placement activities with flexible child care choices.

Trends in Service Delivery

States have developed provider agreements and vouchers as alternatives or supplements to the purchase of service contracts in an effort to make the subsidized system better meet the needs of families. Some shifted away from contracting altogether, while others kept the contracting mechanism for stability and added vouchers for targeting and flexibility. Provider agreements are open-ended arrangements between the state and provider stipulating that if a subsidy-eligible family requests service, the provider will serve that family for a predetermined fee (on a space available basis). Providers are not guaranteed that any subsidized families will come to their facility. The state establishes as many of these agreements as possible in a community to give families the maximum number of options in selecting a provider. Eligible parents then present the provider with a service authorization form, often called a voucher, to receive service.

NGA's survey data indicate that states most often are using a combination of provider agreements and purchase of service contracts to provide subsidized care (see map). The responses reveal that only eighteen states manage their subsidy programs exclusively with a purchase of service contract system. Ten states reported using provider agreements with no restraints on where parents can obtain care. Twenty-three states cited a combination of contracts and provider agreements. Further, twenty-nine states said they plan to change the way their subsidized systems operate in the future. The most common reasons given for these expected changes are implementation of the Family Support Act (thirteen states) and the desire to shift the service delivery system away from contracts and toward provider agreements (six states). The remaining ten states offered a variety of other reasons.

Market Rates

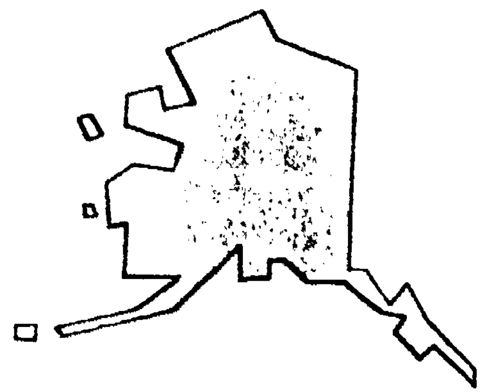
Although the provider agreement system lessens barriers to parents' choice of providers, there is another factor that can limit choice for families using subsidized care. This limitation occurs if the amount the state pays for that care falls significantly below the market rate for care in a community. Thirty states reported that many child care providers are reluctant to serve subsidized families. Such reluctance may be due to state reimbursement rates that are not competitive in the local market; an excessive amount of paperwork required to receive reimbursement; or an inordinate delay in receiving payment from the state. Where such conditions prevail, child care providers can be as reluctant to serve subsidized families as doctors often are to serve Medicaid families.

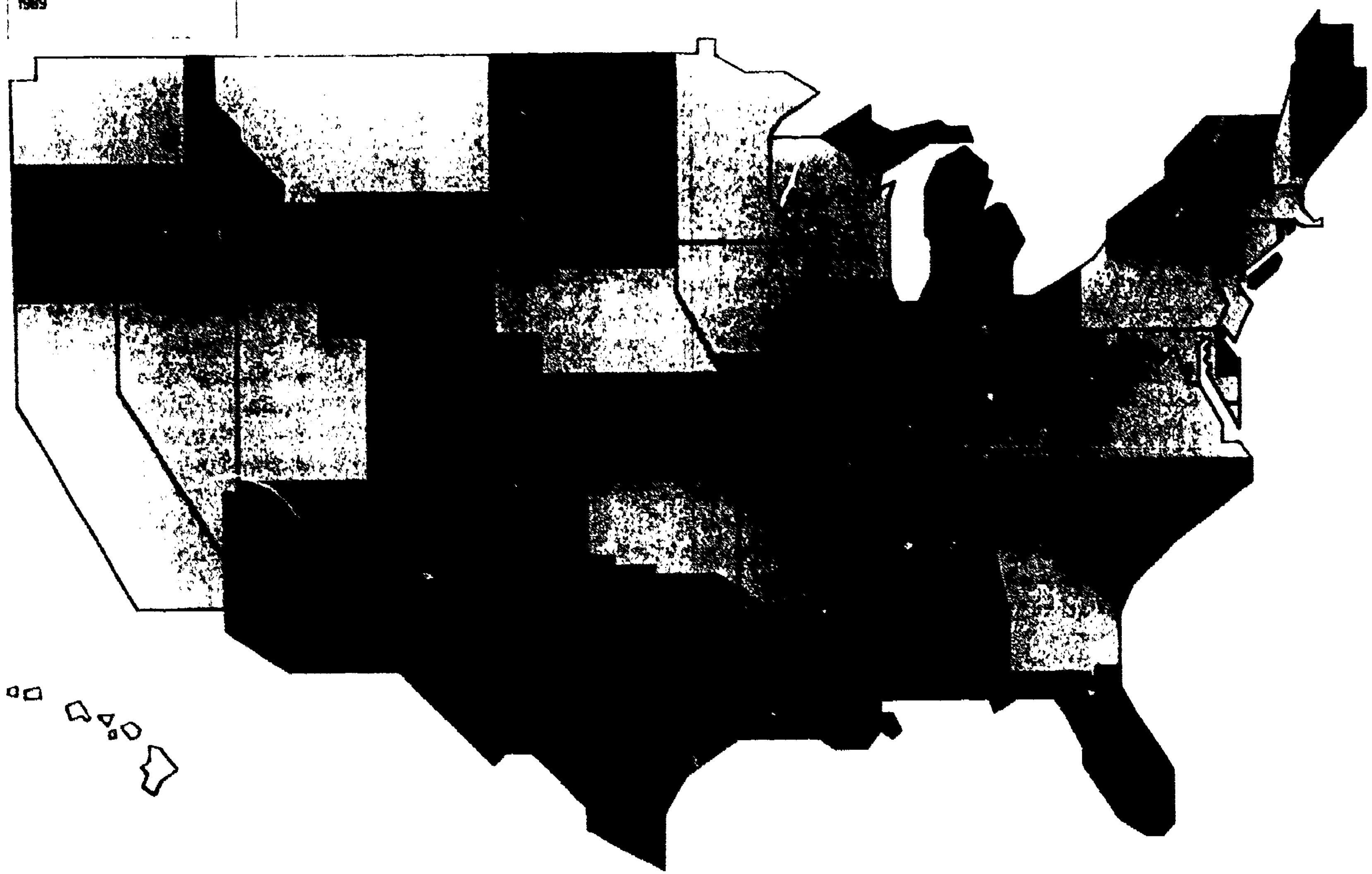
Subsidized Care Service Delivery Method by State

Method (Total States)
Contracts (18)
Provider Agreements*# (10)
Both (23)

Notes: *May not be statewide
#Agreement between family and provider executed in a variety of ways including, but not limited to, vouchers, telephone verification, computer-generated notices, and service authorizations.

Source: National Governors' Association Child Care Survey, 1989





Pennsylvania: Parent Choice and Local Management

Making parent choice the prime factor in the distribution of subsidized child care funds is the goal driving Pennsylvania's restructuring of its subsidized child care program. The state has offered subsidized child care since the late 1960s. Using Title XX and state money it typically contracted with one or more providers in each county to serve eligible families. Eligible families could choose a provider only from among those with a state contract.

In 1984 the Department of Public Welfare piloted a program that allowed parents to choose their child care provider by using vouchers rather than relying on contracted providers. The department established a Local Management Agency (LMA), which was responsible for managing the county's subsidized child care funds. (Lehigh County volunteered for this pilot.) The LMA was charged with providing resource and referral services to those seeking subsidized care, and offering training to participating providers. To implement the program, the state chose an existing resource and referral agency, Community Services for Children, which has become the county's leading child care resource.

In 1988 Pennsylvania expanded the program to twelve counties and the state plans eventually to have all sixty-seven counties participate. Under the LMA mechanism, state child care funds follow the family. This contrasts with the earlier approach in which funds flowed directly to providers. Moreover, LMAs pay the market rate, rather than a state rate, for child care in the community. The state believes that more care can be purchased for the same amount of money since many families choose family day care homes, and since the local market rate is sometimes less than the state rate, especially in rural areas.

For further information contact: Christopher Wolfe, Day Care Division, Office of Children, Youth, and Families, Department of Public Welfare, Harrisburg, Pennsylvania 17120, (717) 787-3976.

Table 4 shows the methods states used in 1989 to determine the price paid for care. Survey data reveal that most states are not using a local market rate when purchasing care. Twenty-six states indicated that they set a statewide purchasing price for subsidized care. Five states cited a state rate with geographic variations. Another six states reported paying the market rate for care in the community, and seven states paid the market rate up to a state-set ceiling. Three states negotiate rates with each individual care provider, and in one state — Virginia — localities set the price paid for subsidized care.

Twelve states had conducted market rate studies as of July 1989. In three states these studies were conducted by counties, and four states made this task the responsibility of local resource and referral agencies.

It is likely that many more states have completed market rate studies at this writing, in response to the requirement of the Family Support Act to conduct such a study. However, while the legislation requires all states to complete such studies and establish local market rates by July 1990, a note of caution is needed. The final regulations for FSA, issued by the U.S. Department of Health and Human Services (HHS), prohibit states from using federal funds to pay more than the 75th percentile of the local market rate for child care (except in rural areas, where the full cost can be paid). Many state child care staff voiced concerns about the impact this may have on diminishing the pool of providers willing to serve FSA-subsidized families. This may force states to supplement the FSA reimbursement with state and local funds to induce providers to serve FSA clients.

State Use of Federal Funds

Table 5 presents the sources of federal funds identified by the Congressional Research Service as available to states for child care assistance as well as the number of state agencies administering these funds. Not including Head Start monies, which go directly to local programs in the form of HHS grants, states reported that the most frequently used sources of federal funds continue to be Title XX or the Social Services Block Grant (forty-five states) and the Dependent Care Planning and Development Grant (forty states). Similarly, they are using funds authorized under the Job Training Partnership Act for supportive services from the Title IIA core block grant or Title IIB summer employment program for youth (twenty-nine states); and from the Title III dislocated workers program (thirteen states). A large number of states (thirty-four) reported using HHS' Child Development Associate scholarship funds for training and professional credentialing of child care workers. Only eleven states reported using Community Development Block Grant funds, and only three indicated they are tapping Indian Child Welfare Act monies for child care assistance. Some of the most enterprising states — those accessing the largest number of federal funding sources for child care assistance — are Arizona with thirteen sources and Maine and Wisconsin each with eleven.

Table 5 also shows that these federally supported funding sources are administered by a number of agencies within each state and that there usually is no single state agency overseeing the programs supported by federal funds. Nevertheless, thirty-three states reported that they believe there is adequate coordination among agencies with child care responsibilities, and thirty-six states agreed with a statement that there is clear direction to their child care program.

To increase coordination among state agencies, nine states reported that they have cabinet-level committees to coordinate child care resources. Nineteen other states have interagency committees to discuss policy and regulation development.

TABLE 4

Method for Setting Subsidized Child Care Rates by State

Note: *In some instances states reporting statewide rates have a ceiling but not a statewide rate.

Source: National Governors Association Child Care Survey, 1989

State	Statewide*	Geographic	Local	Market Rate	Market Rate with Ceiling	Negotiated	Other
Connecticut	■						
Maine							■
Massachusetts	■						
New Hampshire	■						
Rhode Island	■						
Vermont	■						
Delaware	■						
Maryland	■						
New Jersey	■						
New York	■						
Pennsylvania		■					
Illinois		■					
Indiana		■					
Michigan	■						
Minnesota					■		
Ohio				■			
Wisconsin				■			
Iowa				■			
Kansas					■		
Missouri	■						
Nebraska						■	
North Dakota					■		
South Dakota							
Alabama	■						
Kentucky	■						
Mississippi					■		
Tennessee	■						
District of Columbia	■						
Florida		■					
Georgia					■		
North Carolina				■			
South Carolina						■	
Virginia			■				
West Virginia	■						
Arkansas					■		
Louisiana	■						
Oklahoma	■						
Texas						■	
Arizona	■						
Colorado				■			
Idaho	■						
Montana	■						
Nevada					■		
New Mexico	■						
Utah	■						
Wyoming	■						
Alaska				■			
California							■
Hawaii	■						
Oregon	■						
Washington		■					
Total	26	5	1	6	7	3	2

Washington: The Check Really is in the Mail

Child care providers most often are sma businesses operating with small fund ba ances; thus when they serve subsidize families, they need to be paid on time. Thi is difficult for many state governments, bu in Washington a provider can expect to ge paid promptly.

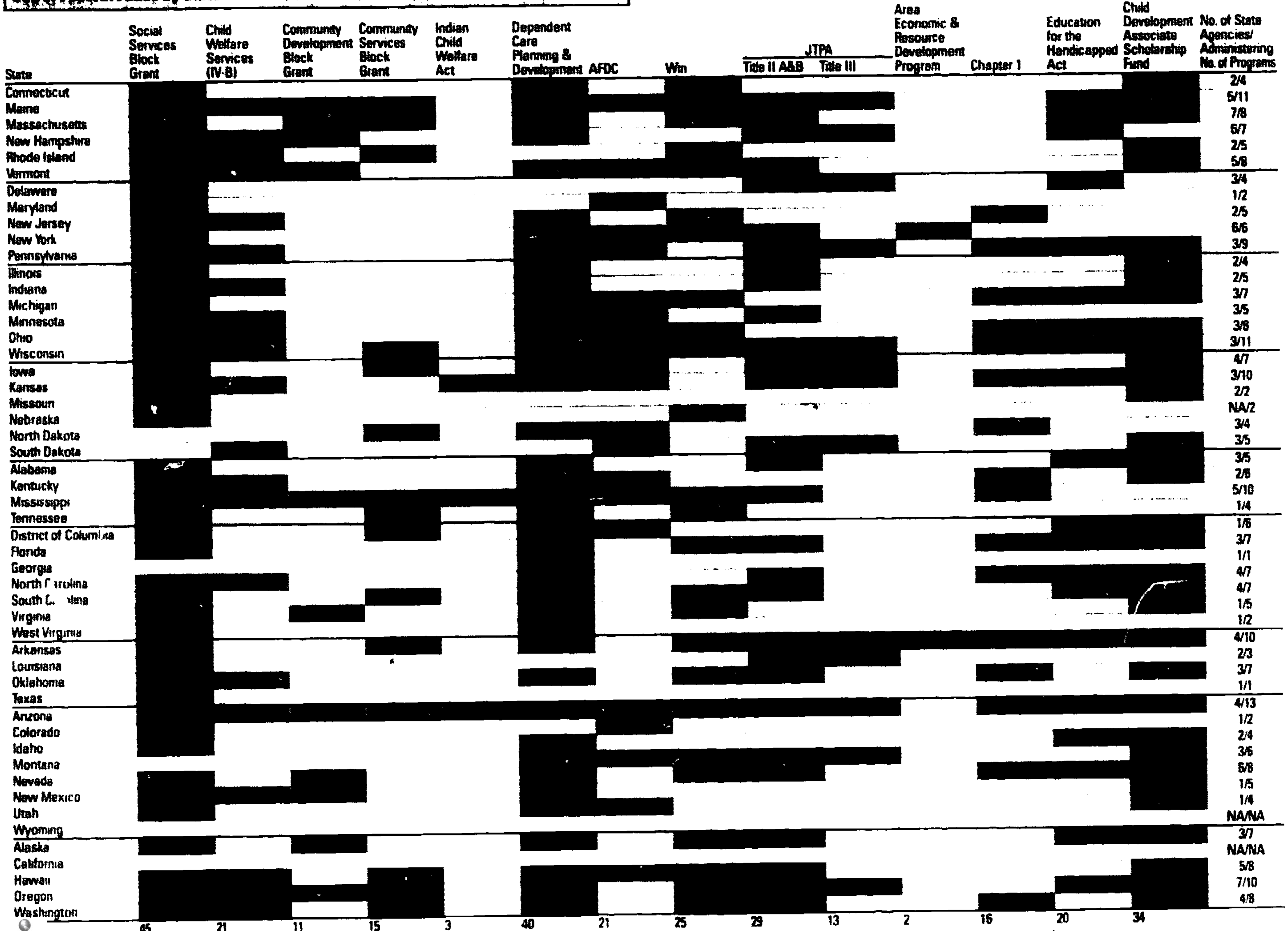
The Social Service Payment System (SSPS is operated by the Department of Socia and Health Services and serves as the pay ment system for subsidized child care an other programs operated by the departmen Once a client is determined eligible for sub sidized care, information regarding the pro vider and rate to be paid is entered into th system. SSPS sends a monthly invoice an self-addressed, postage-paid envelope t the provider, who completes the invoice forn and returns it to the department. With twelve working days—or in many instance sooner—after the invoice is returned, th provider receives payment. To reduce prob lems in billing, each provider serving subs dized families receives a booklet describin the subsidized program in which the clie is participating, the regulations, the nam of a contact person, and step-by-step instruc tions for completing invoices.

For further information contact: Dori Sho Department of Social and Health Service Family Independence Program, P.O. Box 90 MS HH-11, Olympia, Washington 98504, (20 586-8671.

Use of Federal Funds by State

Note: NA = no response

Source: National Governors' Association Child Care Survey, 1983



It is likely that coordination and streamlining of state child care administration will accelerate as states find it necessary to link their existing subsidized care system with their emerging systems for FSA clients.

Finally, data collection appears to be a problematic issue for states. There seems to be limited knowledge of how many children are served with how many dollars, and many states cannot report the number of children served through various programs. Further, in programs such as the Job Training Partnership Act, child care is a support service, and many states are unable to report the percentage of program dollars used for child care. It is possible that in some states the expenditure portion of the survey did not get routed to the person in command of the relevant data. In any event, data collection in the child care arena is expected to improve, as states move to comply with the data reporting and system interface mandates of the Family Support Act.

Program Eligibility

Subsidized child care programs support working families who otherwise would be unable to work if they did not receive assistance. Eligibility continues until such time as family income rises to a point where it is anticipated that the family can pay the full cost of care. Use of the state's median income to determine the point where the subsidy ceases may provide subsidies more closely related to the cost of living than does use of the federal poverty guidelines. While the federal poverty guidelines are developed to test eligibility for certain federal social services programs, they are computed for the entire nation and are not reflective of geographic differences in the cost of living. A state's median income is a better indicator of the economic environment in which subsidy-eligible families live.

Forty-eight states reported providing child care subsidies for AFDC recipients, and twenty-one states indicated they provide transitional care, usually ranging from three to twelve months after AFDC eligibility ends (see Table 6). Arizona, Minnesota, and the District of Columbia reported no limit on the months of eligibility for transitional care. Sixteen states indicated they use subsidized care for children needing protective services.

Eligibility for subsidized child care is based on a family's income in relation to the federal poverty guidelines in nineteen states, and the state's median income in twenty-four states. Three states reported that they have subsidized programs based on both income scales.

State Appropriations for Child Care

Some recent studies on child care leave the impression that all government funds for child care are federal, and that the only state role is coordination. The most recent example is a General Accounting Office (GAO) publication, *Child Care: Government Funding Sources, Coordination, and Service Availability*. In fact, state (and local) fiscal contributions to the nation's child care system have been steadily climbing during the 1980s. In the Public School Early Childhood Study, conducted by the Bank Street College of Education, Fern Marx and Michelle Seligson documented expenditures of $300 million during the 1986-87 school year for school-based child care by public schools alone.

The demand for subsidized care is great. While six states reported that demand did not exceed supply, forty-four responded that the demand for subsidized care is greater than the slots available. This problem was exacerbated during the 1980s with the decline in federal funding for child care. As shown in Table 5, most states fund subsidized child care by using the unrestricted dollars available through the Social Services Block Grant (SSBG), augmenting these resources with their own funds. Between 1977 and 1988, SSBG funds to states declined by 58 percent, after adjusting for inflation (GAO). Twenty-nine states indicated that they have increased their own funding in response to reduced federal funding, though another twenty states noted that

41

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TABLE 6

Eligibility for Subsidized Care by State

Notes: NA = no answer.
*Combined federal and state funds.

Source: National Governors' Association Child Care Survey, 1989.

State	AFDC Recipients	Income up to x% of Federal Poverty Guideline	Income up to x% of State Median Income	Number of Months after AFDC Eligibility Ends	Children in Need of Protective Services	Other	Total Children Served/Year*
Connecticut	■		70	12			NA
Maine	■	200					NA
Massachusetts	■		70	12	■		45,120
New Hampshire	■	190					3,586
Rhode Island	■	185					3,000
Vermont	■		80				2,940
Delaware	■	130					2,130
Maryland	■		80				NA
New Jersey	■		80	12	■		17,500
New York		200					128,345
Pennsylvania	■	177					24,233
Illinois	■		NA	6	■		22,573
Indiana	■	150					8,731
Michigan	■		80				64,000
Minnesota	■		75	as long as eligible			16,500
Ohio	■	150	100				NA
Wisconsin	■		82	12	■		NA
Iowa	■	150		12			NA
Kansas	■	185		6	■		4 890
Missouri	■		60				6,996
Nebraska	■	104		3			NA
North Dakota	■						NA
South Dakota	■						498
Alabama	■		48		■		8,000
Kentucky	■		60		■		44 847
Mississippi	■						24,712
Tennessee	■		70		■		19 051
District of Columbia	■		106	as long as eligible			11 610
Florida	■	133		3	■		43 324
Georgia	■			12			8 500
North Carolina	■	140			■		30,000
South Carolina	■	175			■		4 500
Virginia	■		70	2			4 442
West Virginia	■		50				4 600
Arkansas	■		80	12			10 177
Louisiana	■	125			■		4 107
Oklahoma	■					■	16 300
Texas	■	150		12	■		NA
Arizona	■		65	as long as eligible			20,500
Colorado	■		50 65				NA
Idaho							NA
Montana	■						13 988
Nevada	■			6			NA
New Mexico							NA
Utah	■	155	60		■		7495
Wyoming	■		54	4			1 779
Alaska	■	150	100		■		7060
California	■		84	3			209 500
Hawaii	■	100		12			NA
Oregon	■					■	4 742
Washington	■		53	12	■		NA
Total	48	19	24	21	16	2	

TABLE 7

State Funds for Subsidized Child Care in Fiscal 1989, Administering Agency, and Number of Children Served by State

Note: NA = no answer

Source: National Governors' Association Child Care Survey, 1989

State	Administering Agency	Amount	Number of Children Served
Connecticut	Department of Human Resources	$21,114,973	13,969
Maine	Dept of Human Services, Social Services	$2,324,859	NA
	Dept. of Human Services, Income Maintenance	$377,000	NA
	Department of Children's Services	$1,995,525	NA
Massachusetts	Department of Social Services	$71,147,000	18,000
	Department of Public Welfare	$78,853,409	12,500
	Office of Children & Families	$170,000	170
	Head Start	$6,000,000	450
	Chapter 188	$10,000,000	13,000
New Hampshire	Division of Human Services	$2,784,516	2,470
	Division for Children & Youth	$77,611	358
	Division of Human Resources	$200,000	758
Rhode Island	Department of Human Services	$4,000,000	3000
	Department of Children & Families	$26,000	NA
Vermont	Dept of Social & Rehabilitation Services	$3,224,019	est 2,509
	Department of Public Welfare	$223,295	est 256
Delaware	Department of Health & Social Services	$2,481,000	1 125
Maryland	Social Services Administration	$33,689,000	S17340
New Jersey	Department of Human Services	$878,000	950
	Department of Human Services & Department of Economic Assistance	$3 100 000	700
New York	Department of Social Services	$29 104 000	9 687
	Department of Education	$33,000 000	12,500
	Agricultural Child Care Program	$2 526 300	1 757
	New York City Agency for Child Development	$6 774 000	NA
	New York City Board of Education	$32 000 000	10 100
Pennsylvania	Department of Public Welfare	$36 747	14 000
Illinois	Department of Children & Family Services	$32,874,100	22 573
Indiana	Department of Human Services	$2 782 647	9 517
Michigan	Department of Education	$17 200 000	8 000
Minnesota	Department of Human Services	$16 866 800	14 0[illegible]
Ohio	Department of Human Services	$17 812 097	NA
Wisconsin	Department of Health & Social Services	$24 300 000	est 16 200
Iowa	Department of Human Services	$8 894 403	3 705
Kansas	Dept of Social & Rehabilitation Services	$3 494 728	2 377
Missouri	Division of Family Services	$11 [illegible] 000	9 153
Nebraska	Department of Social Services	NA	1[illegible] 41[illegible]
North Dakota	Department of Human Services	NA	NA
South Dakota	Department of Social Services	$1[illegible]4 604	645
Alabama	Department of Human Resources	$[illegible] 667 320	7 309
Kentucky	NA	NA	NA
Mississippi	NA	NA	NA
Tennessee	Department of Human Services	$697 500	NA
[illegible]	Department of Human Services	$[illegible]1 000 000	7 971
	Department of Employment Services	$276 839	361
Florida	Dept of Health & Rehabilitative Services	$42 641 111	43 300
Georgia	Department of Human Resources	$17 500 000	8 600
[illegible]	[illegible] Section	$16 600 000	16 600
[illegible]	[illegible]	$2 232 546	1 1[illegible]
[illegible]	Department of [illegible]	$[illegible] 500 000	2 4[illegible]
[illegible]	Department of [illegible]	$[illegible] 637 000	2 07[illegible]
Arkansas	Department of Human Services	$440,888	300
Louisiana	Office of Children's Services	$1,300,000	751
Oklahoma	Department of Human Services	$3,896,000	8,150
Texas	Department of Human Services	$3,273,593	14,362
Arizona	NA	NA	NA
Colorado	Department of Social Services	$6,942,347	NA
Idaho	NA	NA	NA
Montana	Department of Family Services	$627,255	NA
	Dept. of Social & Rehabilitation Services	$783,126	NA
Nevada	Welfare Division	$171,169	NA
New Mexico	Human Services Department	$605,019	3,400
Utah	Department of Social Services	$4,587,800	3,132
Wyoming	Dept of Public Assistance & Social Security	$2,088 [illegible]	1,779
Alaska	Dept of Community & Regulatory Affairs	$15,0[illegible]	7,660
California	Department of Education	$346,806,000	110,000
	Department of Social Services	$23,525,000	99,500
Hawaii	NA	NA	NA
Oregon	Adult & Family Services	$6,147,322	2,790
Washington	Department of Social & Health Services	$24,938,545	11,766
Total		$1,039,156,851	

Errata: The amount of state funds for subsidized child care in Pennsylvan fiscal 1989 is incorrect. It should be $36, 747, 000. The total for all s should be $1,075,867,104.

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they have been unable to absorb the loss of federal dollars. Table 7 lists the amount of general fund revenues states reported they used to provide child care. Although seven states were unable to provide this data, the total amount reported to have been appropriated by forty-four states for child care in fiscal 1989 is over $1 billion. This amount does not include the value of state dependent care tax credits. It is unclear how much longer states can continue to spend at present levels in this area, given the increasingly tight fiscal environments in which many state treasuries must operate (National Governors' Association and National Association of State Budget Officers).

Arkansas: Loan Guarantee Fund for Development of Child Care

Act 202 of 1989 created the Arkansas Child Care Facilities Guarantee Loan Fund. The fund is designed to support the development and expansion of child care facilities in the state, including centers and family day care homes.

Oversight and administrative authority for the fund was given to the Arkansas Early Childhood Commission, which currently is publishing regulations for the granting of loan guarantees. The anticipated date of start-up for the guarantee is May 1, 1990.

Act 202 outlines certain factors that must be considered in granting loan guarantees: geographic distribution; minority participation; community need, with areas underserved or unserved by child care providers receiving first priority; and community income, with priority given to those communities with the lowest median family income. In addition, priority will be given to providers who demonstrate their intention to offer infant and toddler care. Moreover, providers must prove they have viable administrative and financial management systems or indicate their intent to obtain training in basic business practices. There also must be evidence of intended licensure or approval of the child care facility, and proof that the loan cannot be obtained without the guarantee. Finally, 25 percent of the potential market for the facility must be composed of families at or below the state's median income.

The loan guarantee fund increases access to existing lending sources in Arkansas for those persons interested in developing child care programs. The state is marketing the fund as a way for banks to meet mandates under the federal Community Reinvestment Act, which requires banks to grant loans back to the communities from which they receive deposits. The fund will guarantee the deficiency portion of the loan (loan amount - collateral = deficiency), not to exceed $25,000, but the guarantee covers only the principal, not interest or liquidation costs.

To date, requests for information about the program have come from prospective family day care providers in rural areas, who generally are seeking loans of $10,000 or less.

For further information contact Glenda Bean, Executive Director, Arkansas Early Childhood Commission, Office of the Governor, Room 205, State Capitol, Little Rock, Arkansas 72201, (501) -7523

Dependent Care Tax Credits

The federal government currently makes its largest contribution relative to the purchase of child care through the Child and Dependent Care Tax Credit. When filing tax returns, families can claim a maximum credit of $720 for one child and $1,440 for two or more children. In 1988 the federal government granted $3.4 billion in child and dependent care tax credits, which comprised 60 percent of federal child care assistance (GAO). Building on this program, nearly half of the states have instituted their own child care tax credits (ten states have no tax on earned income). Table 8 shows the extent and value of state tax policies designed to assist families with child care. Twenty-two states have a dependent care tax credit to help families offset the cost of caring for children or older relations; of these, twenty link their credit to the federal tax credit. State tax credits most often are based on a combination of family size, income, and child care expenditures.

TABLE 8

Availability of Dependent Care Tax Credits by State

Note: NA no answer

Source: National Governors' Association Child Care Survey, 1989

State	Dependent Care Tax Credit	State Credit Linked to Federal Credit	Maximum Amount of State Credit
Connecticut			
Maine	■	■	25% of federal credit
Massachusetts	■	■	NA
New Hampshire			
Rhode Island	■	■	$4,800 per family
Vermont	■	■	same as federal credit
Delaware	■	■	50% of federal credit
Maryland			
New Jersey			
New York	■	■	20% of federal credit
Pennsylvania			
Illinois			
Indiana			
Michigan			
Minnesota	■	■	$1,440 per family
Ohio	■	■	$360 per family
Wisconsin			
Iowa	■	■	45% of federal credit per family
Kansas	■	■	$[illegible] per family
Missouri			
Nebraska			
North Dakota			
South Dakota			
Alabama			
Kentucky			
Mississippi			
Tennessee			
District of Columbia	■	■	$216 per child
Florida			
Georgia			
North Carolina	■	■	$336 per family
South Carolina	■	■	$168 per child
Virginia	■		$4,800 maximum
West Virginia			
Arkansas	■	■	[illegible]0 per child
Louisiana			
Oklahoma	■	■	$288 per child
Texas			
Arizona	■		$100
Colorado			
Idaho	■	■	$4,800 per family
Montana	■	■	$2,400 for 1 child, sliding scale for additional children
Nevada			
New Mexico			
Utah			
Wyoming			
Alaska			
California	■	■	$216 per child
Hawaii	■	■	15-25% of applicable expenses adjusted by income
Oregon	■	■	40% of federal credit
Washington			
Total	22	20	

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States as System Builders

Many states are expanding their role in the child care arena by working with public and private organizations to build a comprehensive child care system. Increasingly, states are supporting resource and referral organizations so that communities can better meet their child care needs; assisting providers in obtaining insurance coverage; promoting employer-assisted child care; and helping rural communities meet the challenge of providing child care in sparsely populated areas. These activities are not necessarily expensive. They are geared toward bringing together advocates, providers, businesses, parents, and other interested parties to identify problems, fill gaps in services, and ensure that a base of child care information and resources is available for families, employers, and providers.

In response to an open-ended question soliciting innovative solutions to increase the supply of quality, affordable child care, fourteen states cited provider training and recruitment and salary enhancements. Seven noted the establishment of loan funds to bring more providers into the system.

Resource and Referral

Local communities may be in the best position to identify child care needs, resources, and gaps. Resource and referral (R&R) organizations are a tool frequently used to conduct the assessment. Performing a variety of functions, these community-based organizations assist parents in finding appropriate providers; educate parents on factors to consider when choosing a provider; offer training to child care providers; stimulate new sources of care; collect data on supply and demand; obtain information to determine the market rate for care in a community; assist employers in locating care for their employees; and, in a few instances, determine eligibility and manage waiting lists for state subsidized care programs.

One of the salutary findings of this study is the states' commitment to expanding the number and coverage of resource and referral agencies. Twenty-eight states reported funding R&Rs and twenty-one indicated that they will expand R&R activities in the coming year. R&Rs are locally operated in eighteen states, while three other states run a network of locally operated programs covering the whole state. Nine states reported operating centralized R&R programs serving the entire state. A further measure of national progress comes from the National Association of Child Care Resource and Referral Agencies, which reports that in 1988 there were two statewide R&R agencies, in 1990 there are nineteen, and by next year there will be twenty-six.

By funding R&Rs, states help build an infrastructure for communities to create new child care to meet their unique needs. This approach also moves child care to the same level as other community human services, such as mental health services, programs for senior citizens, and assistance for substance abusers. R&Rs can act as a coordinating agent to ensure that child care concerns are met for welfare-to-work initiatives, child protective services, and programs for children with special needs. Many R&Rs currently are administering voucher programs for state and local welfare departments as well as for private employers.

Liability Insurance

It is commonly hypothesized that a significant barrier to an adequate supply of child care providers is insurance companies' reluctance to write liability policies or their predisposition to make such insurance cost-prohibitive. Survey data only partially confirm this hypothesis. Thirty-one states reported that obtaining liability insurance is difficult for providers. But a closer examination reveals no consistent pattern across states with respect to the problems providers face in the insurance market. Difficulties seem to center more often on the high cost of insurance than on the unwillingness of insurance companies to write policies. Thirty-one states cited high cost as a problem, while fifteen states reported problems with cost and availability. Twelve states indicated that all types of child care facilities are equally affected, but nineteen states responded that obtaining insurance is most problematic for family day care homes. In ten states some family day care providers have had their homeowner's insurance cancelled.

An unpublished survey by the National Association of Insurance Commissioners (NAIC) confirms NGA's findings. NAIC concluded that while insurance for child care providers generally is available, its price varies greatly. Further, the discretion exercised by local agents probably plays a role in the varying experiences of providers as they seek insurance coverage. Finally, NAIC reports that cancellation of homeowner's insurance, which is a problem for those opening family day care homes, is a common practice when a home is used for any commercial purpose. The District of Columbia prohibits this practice.

State legislative responses to the liability insurance question probably have been tempered by the absence of a consensus about the problem as well as some states' preference for a strategy of gubernatorial persuasion over legislation. Instead, market assistance plans (MAPs) are the most frequent response. Found in six states, a MAP serves as a clearinghouse for buyers and sellers of insurance by circulating the provider's application to a number of insurance companies. This strategy is most effective when child care providers can afford insurance but are unable to find a company willing to write a policy. Five states have developed "assigned risk programs" in which companies are assigned on a rotating basis to providers unable to find coverage. Two states have addressed the problem by regulating or negotiating with insurance companies. Virginia has held public hearings on the issue, and Tennessee h. , spent a year negotiating with the insurance industry to improve availability at reasonable rates, reduce the premiums on child care vans, and help family day care operators obtain business liability coverage.

While this survey identified problems associated with cost and availability, these difficulties were not found in all locations nationwide. In fact, eight states reported that provider ability to obtain insurance simply is not a problem.

In light of the very few claims against child care providers, states may wish to pursue two strategies to help providers obtain insurance. The first is to join child care providers and advocates in educating the insurance industry about the low risk of insuring providers. This persuasion approach has been used successfully in several states, notably Massachusetts. A second strategy is to use the state's regulatory power to compel insurance companies to service child care providers, absent a reasonable justification for denying coverage. As a start, state policymakers may wish to engage in fact finding discussions with their insurance commissioners to determine the nature and scope of insurance barriers and possible ways to eliminate them.

Rural Concerns

The needs of rural communities pose unique challenges in delivering human services. Low population density, vast distances, and limited transportation systems combine to isolate rural residents from services found in more populated, accessible areas. Child care services are no exception. Forty-seven states reported that rural families have difficulty in obtaining child care. Twenty-six states cited a lack of regulated child care facilities as the primary reason, and six states reported an especially great need for special needs care. According to nineteen states, transportation also is a factor contributing to the difficulties these families experience. The lack of transportation for the home-to-child care-to-work connection hinders their ability to access child care.

To respond to the needs of rural communities, states have undertaken a variety of initiatives. Twelve states reported that funding programs to promote and develop rural child care is a budget priority. Ten states indicated that they are promoting the development of family day care homes to counter the shortage of center-based care in rural areas. Nine states reported funding programs to recruit and train providers in rural areas, and eight states cited contracts with local R&Rs to develop new sources of rural care.

The issues of child care and transportation for rural families are especially important in light of the Family Support Act's JOBS program. Rural AFDC recipients will have difficulty participating in education and training programs and holding jobs if these supports remain inaccessible. Yet many policymakers in human services agencies have indicated their intent to enroll rural JOBS participants in secondary and postsecondary education to meet their state's participation quotas. This may require states to look creatively at the ways public high schools and community colleges in rural areas might fill gaps in their current child care system. Similarly, existing transportation arrangements for senior citizens, Medicaid recipients, vocational rehabilitation clients, and Head Start enrollees in rural areas might be accessed for JOBS participants.

Employer-Assisted Child Care

Employer-assisted child care encompasses more than on-site care. The Child Care Action Campaign identifies the following activities that employers can undertake to assist their workers: adopt flexible work schedules; invest in community-sponsored centers; invest in a consortium of on-site or near-site centers; establish R&R services; purchase emergency child care services; allow employees to use sick leave to care for ill children; and provide direct financial assistance to help employees pay for care.

Thirty-seven states reported having outreach activities to the business community to promote employer-assisted child care. The most frequent activitie undertaken include meeting with busine executives to explain the need for employer-supported child care (thirty-t states); promoting child care as a way t attract and retain employees (thirty-on states); preparing and distributing guid for businesses considering employer-assis child care (thirty-one states); and connecting employers with R&R servi (twenty-eight states). Twenty-four stat indicated that they assist employers in setting up on-site or near-site child car centers, and thirteen states cited hotli to answer employer questions. Fifteen st reported having employer tax credits t provide an incentive to employers to establish some sort of child care assistan and to increase the supply of child care

Estimates of Child Care Supply

NGA's survey asked state respondents record, on a grid, the total number of children by age group (infants, toddler preschool age, and school age) that ea of five types of facilities is licensed or registered to serve. The five facility ty are centers, group homes, family day c homes, Head Start centers, and schoo based centers. Respondents also were as to provide their own state's definition infants, toddlers, preschool age, and sc age, and to provide, by type, the total number of licensed or registered facili in the state.

Obviously, states that do not license o register family day care homes or scho based centers, as an example, were una to provide this data. Almost no states license school-based child care centers. Furthermore, the question is difficult to answer because the data are fluid. A center may be licensed to serve five infants and thirty older children. But if it chooses to serve only two infants, it may be allowed to serve thirty-five or forty older children.

Finally, it is possible that in some states, the person who had command of such data did not receive this portion of the survey. Mindful of such circumstances, only one state, Massachusetts, provided complete information on the capacity of known child care facilities by type and by age group. Forty-two states provided partial data, of which six could provide only the total facility capacity across all age groups. Three states provided no data on licensed or registered capacity.

While all states could supply the number of licensed facilities, information regarding the number of slots for children of specific age groups is lacking. This data will become more critical in light of the JOBS requirements and child care guarantee provisions of FSA. Previously, AFDC recipients with children under six years of age were exempt from participation in employment and training activities. The provisions of FSA lower this exemption to those parents with children less than three years of age, and to one year of age at state option. This means that state JOBS programs will need a large number of slots for young children. The younger the child, the more expensive the care and the more difficult it is to find. With forty-nine states asserting an insufficient supply of care for infants, yet unable to estimate their capacity for that or any other specific age group(s), the lack of child care may prove to be the greatest impediment to client participation in FSA and may have serious implications for the success of the program. States are urged to collect the data necessary to estimate their current supply of child care, so they may anticipate whether or not enrollment of thousands of young AFDC recipients in JOBS will cause the demand for child care to overtax existing capacity.

Florida: Promoting Employer-Assisted Care

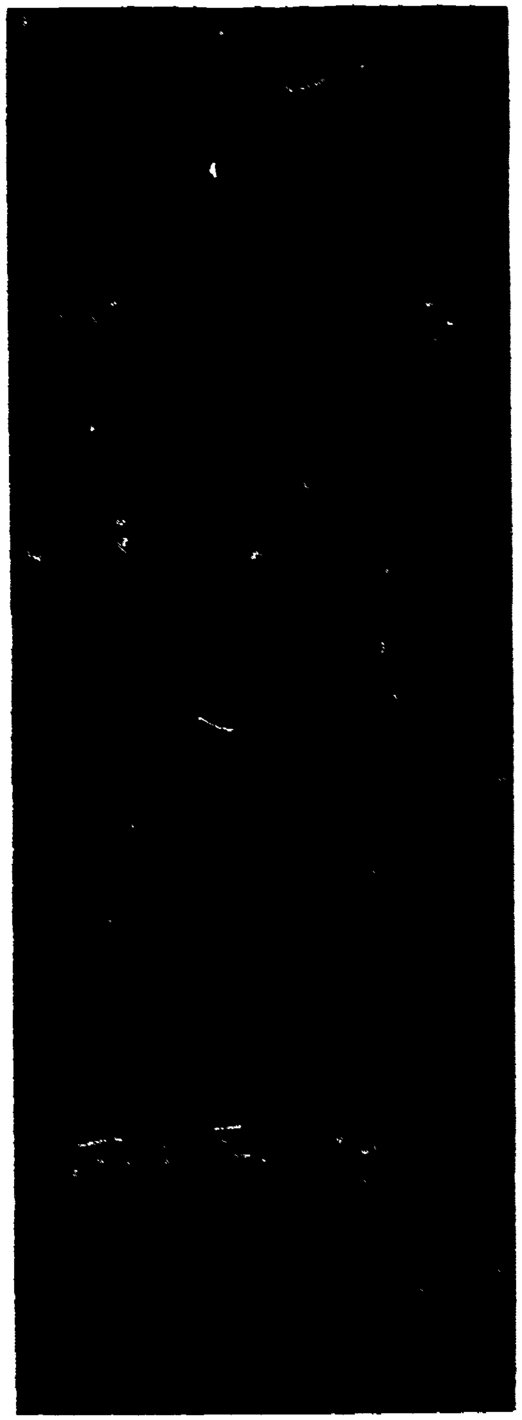
Often, employer-assisted care is equated with on-site child care centers, a proposition unsuited to the finances or liability concerns of many employers. The Florida Department of Health and Rehabilitative Services informs employers that there are many ways they can assist their employees in meeting their child care needs. The department's booklet, "Child Care is Good Business," provides information to companies that may want to sponsor or support employee child care programs. Topics covered include on-site centers; off-site consortium centers; voucher and vendor programs; tax incentives; flexible personnel policies; and cafeteria benefits plans.

Developed by the Office of Children, Youth, and Families and the Florida Chamber of Commerce, the booklet explains what employer options exist for assisting employees and the pros and cons of each option. It also covers the state role in facilitating the development of a program best suited to an employer's needs.

Development and publication of "Child Care is Good Business" cost under $2,500. The project was made possible through the federal Dependent Care Block Grant, which funds resource development activities. Presently in its second printing, the book has been very well received by local chambers of commerce, real estate developers, and a wide range of businesses.
For more information contact: Susan Muenchow, Chief, Child Care and Protection, Office of Children, Youth, and Families, Department of Health and Rehabilitative Services, 1317 Winewood Boulevard, Building 6, Room 450G, Tallahassee, Florida 32399, (904) 488-4900.

Family Support Act Preparations

By October 1990 all states must implement the JOBS provisions of FSA. When asked (in June 1989) what child care-related activities were underway to prepare for JOBS, twelve states reported planning activities such as interdepartmental task forces or work groups to review the regulations and study needed administrative changes. Fourteen states indicated that they were developing resources to meet anticipated needs created by JOBS activities, including recruiting new providers, increasing the rates paid for subsidized care, providing training to



caregivers, expanding the number of resource and referral organizations, and establishing interagency agreements. Twelve states reported that their current subsidized child care system will not require any changes to meet the needs of JOBS participants. Eight states noted that they were planning to make changes to give parents more choice in selecting a provider. Six states undertook surveys to determine demand for care, market rates of care, and transportation needs.

Tennessee: Public/Private Ventures in Child Care

"Turnover and absenteeism got to be horrendous," reported John Keisling. Cumberland Hardwoods had made major capital investments in new, high technology equipment for its Sparta, Tennessee, plant. However, its workforce lacked the education and skills to operate the new equipment. The company offered remedial education classes after work, paying overtime for those who attended. Unfortunately, many parents could not attend since their children needed care. After studying the child care and educational needs of its workers, and determining the projected increase in profitability if the company's productivity were to increase, Cumberland Hardwoods decided that an on-site child care center would go far in meeting the needs of both employer and employees.

"The start-up costs were going to be high," noted Keisling. Then he learned that the Tennessee Department of Employment Security had discretionary funds to pay for some of these expenses. (The funds are made available to the state under the Wagner-Peyser Act, the federal legislation establishing the public employment service.) Soon Cumberland Hardwoods joined with the Upper Cumberland Human Resource Agency (UCHRA) in a proposal to operate the Cumberland Child Care and Adult Skills Learning Center. Cumberland Hardwoods bought a house adjoining its plant, which was renovated using the Wagner-Peyser funds. UCHRA leases the property from Cumberland Hardwoods for $1 per year and administers the program. Of the fifty child care slots, thirty are reserved for Cumberland Hardwoods employees, and the remainder are made available to other employers and the public. The center charges $2 per day for child care for Cumberland Hardwoods employees. The center operates from 6:30 a.m. to 5:30 p.m. and also is used for adult education classes

For further information contact: John H. Keisling, Cumberland Hardwoods, P.O. Box [illegible], Sparta, Tennessee 38583, (615) 738-5[illegible], or James Huff, Tennessee Department of Employment Security, 12th Floor, Volunteer Plaza, 500 James Robertson Parkway, Nashville, Tennessee 37219, (615) 741-6335.

States as Employers

In the absence of any substantial public or private support in finding child care, workers in both public and private sectors often develop a patchwork system for the care of their children. The stress resulting from worrying about, locating, and retaining child care arrangements has a direct impact on worker productivity (Fernandez). A growing body of evidence suggests that companies offering some form of child care assistance experience lower turnover and recruiting costs, a more productive workforce, and reduced absenteeism. In the 1990s and beyond, both public and private sector employers will find it necessary to increase the quantity and quality of child care assistance they offer their employees. The private sector must attract and retain highly skilled workers to compete in a global economy. Likewise, the public sector in many states faces severe labor shortages as competition for skilled workers increases. To maintain a workforce that can effectively ensure public safety, manage state resources, and protect the most vulnerable, states will have to offer competitive compensation packages that include parental leave and child care assistance.

Parental Leave

Increasingly, to meet the needs of working families and retain a quality workforce, employers are granting parental leave to full-time employees following the birth or adoption of a child. Some employers extend this benefit to cover the serious illness of any dependent. This leave usually is unpaid, though employee benefits often are continued. Similarly, some states have parental leave policies for public servants, though there seems to be some confusion among survey respondents as to what exactly is meant by parental leave.

Parental leave is a benefit distinct from other types of leave, such as annual, sick, and personal leave. However, when asked if their state has a parental leave policy, twenty-one states responded that such a policy exists, but most of these only permit the maximum amount of accrued annual or sick leave to be taken. Although these policies do not strictly constitute parental leave, nonetheless they illustrate how states are stretching their leave policies to accommodate the needs of working families. Twenty-one and twenty states, respectively, cited parental leave policies covering the birth or adoption of a child. The number of states responding that they grant this leave to cover serious illness of an employee's child dropped to fifteen, as did the number reporting that they grant such leave to cover illness of an employee's parent. Only four states — Alaska, Massachusetts, Montana, and Oklahoma — indicated that they pay employees' salaries while they are on leave. Forty-six states noted that employees may use other types of leave for these situations. These other types of leave are used if the state does not have a parental leave policy, if the employee wishes to supplement the parental leave, or if sick leave is needed as a result of childbirth. Table 9 summarizes state parental leave policies and the maximum amount of time to which parents are entitled.

On-Site Child Care for State Employees

Table 10 displays on-site child care arrangements present in the states. Forty-three states reported having on-site child care facilities for their employees. A common location cited by thirty-eight states is state universities, where facilities actually serve both staff and students. State-run hospitals were noted by twenty-one states as a frequent location of child care facilities. On-site care is present to a lesser degree at office buildings, capitol buildings, community colleges, and correctional facilities. Thirty-four states reported that they subsidize on-site care facilities by providing free rent, utilities, and/or equipment. The current number of these facilities is encouraging, and many states noted plans to expand the number of sites offering child care to their workers.

As the competition for qualified workers intensifies in the 1990s, states will find that their benefit packages will have to compete with those of the private sector. For example, a nationwide shortage of nurses has generated serious consideration of factors affecting their recruitment and retainment. Large numbers of on-site child care programs at both public and private hospitals attest to health care facilities' need to attract and retain qualified workers.

TABLE 9

Availability of Parental Leave for State Employees by State

Source: National Governors' Association Child Care Survey, 1989.

State	Parental Leave Policy	Uses of Leave: Birth	Uses of Leave: Adoption	Uses of Leave: Serious Illness of Employee's Child	Uses of Leave: Serious Illness of Employee's Parent	Leave is Paid	Maximum Time
Connecticut	■	■	■	■	■		26 weeks
Maine	■	■	■	■	■		8 weeks
Massachusetts	■	■	■			■	6 months with supervisor's permission
New Hampshire	■	■	■	■	■		3 months
Rhode Island	■	■	■	■	■		6 months
Vermont							accrued leave
Delaware	■	■	■	■	■		agency head's discretion
Maryland							accrued leave
New Jersey							accrued leave
New York	■	■	■				7 months – 2 years
Pennsylvania	■	■	■	■	■		6 months
Illinois	■	■	■	■	■		1 year
Indiana							
Michigan	■	■	■				6 months
Minnesota	■	■	■				6 months
Ohio							
Wisconsin	■	■	■	■	■		6 months
Iowa							accrued leave
Kansas							accrued leave
Missouri	■	■	■	■	■		6 months
Nebraska							
North Dakota							accrued leave
South Dakota							accrued leave
Alabama							depends on the situation
Kentucky							
Mississippi							
Tennessee							accrued leave
District of Columbia							accrued sick & annual leave
Florida	■	■	■				4 months for adoption/6 months for birth
Georgia							accrued leave
North Carolina							
South Carolina							
Virginia							accrued leave
West Virginia	■	■	■	■	■		12 weeks
Arkansas							accrued sick & annual leave
Louisiana							
Oklahoma	■	■	■	■	■	■	12 weeks
Texas							
Arizona							40 hours per year for sick dependent
Colorado							accrued sick & annual leave
Idaho							accrued leave
Montana	■	■	■	■	■	■	6 weeks
Nevada							accrued leave
New Mexico							
Utah							
Wyoming							
Alaska	■	■		■	■	■	9 weeks
California	■	■	■	■	■		1 year
Hawaii							
Oregon	■	■	■				12 weeks
Washington	■	■	■	■	■		
Total	21	21	20	15	15	4	

State	Other Types Of Leave Can Be Used for This Purpose	Annual	Personal	Sick	Without Pay	Maternity	Other
Connecticut	■	■	■	■	■	■	
Maine	■	■	■	■	■		
Massachusetts	■	■	■	■	■		
New Hampshire	■	■		■	■	■	■
Rhode Island	■	■	■	■	■		
Vermont	■	■	■	■	■	■	■
Delaware	■	■	■	■	■	■	
Maryland	■	■	■	■	■	■	
New Jersey	■	■		■	■		
New York	■	■	■		■		
Pennsylvania	■	■	■	■	■	■	
Illinois	■		■	■			■
Indiana	■	■	■		■	■	
Michigan	■	■		■	■	■	
Minnesota	■	■		■			
Ohio	■	■	■	■	■		■
Wisconsin	■	■	■	■	■		
Iowa	■	■	■	■	■	■	
Kansas	■	■	■	■	■	■	
Missouri	■	■		■	■		
Nebraska	■	■		■	■		
North Dakota	■	■		■	■		
South Dakota	■	■		■	■		
Alabama	■	■		■	■		
Kentucky							
Mississippi	■		■	■	■		
Tennessee	■	■		■			■
District of Columbia	■	■		■	■	■	
Florida	■	■	■	■	■	■	■
Georgia	■	■		■	■		
North Carolina							
South Carolina	■	■		■	■	■	■
Virginia	■	■		■	■		
West Virginia	■	■		■			
Arkansas	■	■		■	■		
Louisiana	■	■		■	■		
Oklahoma	■	■		■	■	■	
Texas	■	■		■	■		
Arizona	■	■		■	■	■	
Colorado	■	■	■	■	■		
Idaho							
Montana	■	■	■	■	■	■	
Nevada	■	■		■	■		
New Mexico							
Utah	■	■	■	■	■		
Wyoming							
Alaska	■	■	■	■	■	■	
California	■	■	■	■	■	■	
Hawaii	■	■		■	■		
Oregon	■		■	■	■		
Washington	■	■	■	■	■		
Total	46	43	24	44	42	18	7

TABLE 10

On-Site Child Care for State Employees by St~te

Source: National Governors' Association Child Care Survey, 1989.

State	On-Site Care for Employees	Hospitals	Office Buildings	Correctional Facilities	Capitol Building	State Univ.	Students	Staff	Vocational Technical Schools/ Community Colleges	Courts	On-Site Subsidies
Connecticut	■	■			■	■	■	■			■
Maine	■					■	■	■	■		■
Massachusetts	■	■	■			■	■	■			■
New Hampshire	■	■				■	■	■	■		■
Rhode Island	■	■									
Vermont	■	■	■								■
Delaware	■		■								■
Maryland	■		■			■		■			■
New Jersey	■	■	■			■	■	■			■
New York	■	■	■			■	■	■			■
Pennsylvania	■	■	■			■	■	■			■
Illinois	■		■								
Indiana	■	■				■					■
Michigan	■	■	■			■		■			■
Minnesota	■					■	■	■			■
Ohio	■		■			■					■
Wisconsin	■		■			■	■	■			■
Iowa	■	■	■								■
Kansas	■	■				■	■	■			■
Missouri											
Nebraska											
North Dakota	■	■				■	■	■			■
South Dakota	■					■	■	■			
Alabama											
Kentucky											
Mississippi	■					■	■	■	■		
Tennessee	■	■			■	■					■
District of Columbia	■	■	■			■	■	■		■	■
Florida	■	■	■			■	■	■			■
Georgia	■					■					
North Carolina											
South Carolina	■			■		■	■	■	■		■
Virginia	■	■	■			■		■			■
West Virginia	■					■	■	■			■
Arkansas	■	■				■	■	■	■		
Louisiana											
Oklahoma	■		■			■	■	■	■		■
Texas	■					■					
Arizona	■				■	■	■	■			■
Colorado	■					■	■				
Idaho	■					■	■	■			■
Montana	■					■	■				
Nevada	■	■				■			■		■
New Mexico											
Utah	■		■			■	■	■			■
Wyoming											
Alaska	■					■	■	■			■
California	■	■	■	■		■	■	■			■
Hawaii	■					■					■
Oregon	■	■	■			■	■	■			■
Washington	■	■			■	■	■	■			■
Total	43	21	19	2	4	38	28	29	7	1	34

Conclusion

States are moving aggressively to fill the voids in the nation's child care puzzle. Pressures to act in the 1970s and 1980s came from the rising workforce participation of women. Pressures to quicken the pace of action in the 1990s are felt from several quarters. An emerging consensus about the attributes of quality child care recognizes the importance of early childhood development components. Major welfare reform legislation must be implemented. The number of young workers in the labor force will shrink. Women, minorities, and immigrants will constitute an ever-larger share of that labor force. At the same time, the United States will endeavor to sharpen its competitive edge in a global economy. To that end, the nation's Governors and the President have adopted ambitious but critical national goals for education. The first of these goals calls for all children in America, by the year 2000, to start school ready to learn. Meanwhile, debate continues on Capitol Hill over the framing of federal child care legislation.

Whatever the outcome of that debate, and mindful of the foregoing social, economic, and demographic changes, evidence from this report suggests that states are expanding and will continue to expand their role as regulators, funders, system builders, and employers in support of child care assistance for families.

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